

Phoenix Copper Limited

ABN 67 127 446 271

ASX Code: PNX

Issued Capital as at 31/10/13: 187,485,527

Board & Management:

Chairman:	Graham Ascough
Non Exec Director:	Paul J Dowd
Non Exec Director:	Peter J Watson
Non Exec Director:	David Hillier
Chief Executive:	James Fox
CFO/Co Secretary:	Tim Moran

Top Shareholders as at 31/10/13:

Long Fortune Limited	14.44%
Asia Image Limited	13.11%
Talis SA	11.29%

Share Registry:

Computershare Investor Services Pty Limited
Level 5 115 Grenfell Street
Adelaide South Australia 5000
Phone: 1300 305 232 (within Australia)
+61 3 9415 4657 (outside Australia)



Phoenix Copper Limited
ABN 67 127 446 271
Level 1, 135 Fullarton Road
Rose Park, SA 5067
Telephone +61 (0)8 8364 3188
Facsimile +61 (0)8 8364 4288
info@phoenixcopper.com.au
www.phoenixcopper.com.au



PHOENIX COPPER LIMITED

ABN 67 127 446 271

REPORT FOR QUARTER END

30th September 2013

HIGHLIGHTS

Exploration - Adelaide Geosyncline

- A 14 hole, 1,024m reverse circulation drill program was completed at Phoenix Copper's Black Hill gold prospect in August 2013
- Anomalous gold and copper was identified over a 3km strike length

Exploration - Yorke Peninsula

- Further drill testing is planned over iron-oxide copper gold targets at the Balgowan and Cross Prospects and will occur early in 2014 when cropping has been completed

Leigh Creek Copper Mine

- Non-binding term sheet signed with Clean TeQ Holdings for the sale of Phoenix Copper's Leigh Creek Copper Mine which owns the Mountain of Light operation
- Up to \$1,000,000 consideration comprising:
 - \$750,000 cash on completion of sale; and
 - up to \$250,000 of further payments based on 20% of the net profit after tax of LCCM operations
- The sale is subject to completion of due diligence by Clean TeQ, with settlement to occur no later than 22nd Jan 2014 and on a formal share sale agreement being negotiated and signed

Corporate

- 7,777,778 shares issued at 4.5c to sophisticated investors to raise \$350,000

1 EXPLORATION

Phoenix Copper is primarily focussed on copper and gold mineral exploration in three main project areas within South Australia (**Figure 1**).



Figure 1: Phoenix Copper tenure, South Australia

1.1 Adelaide Geosyncline

Black Hill

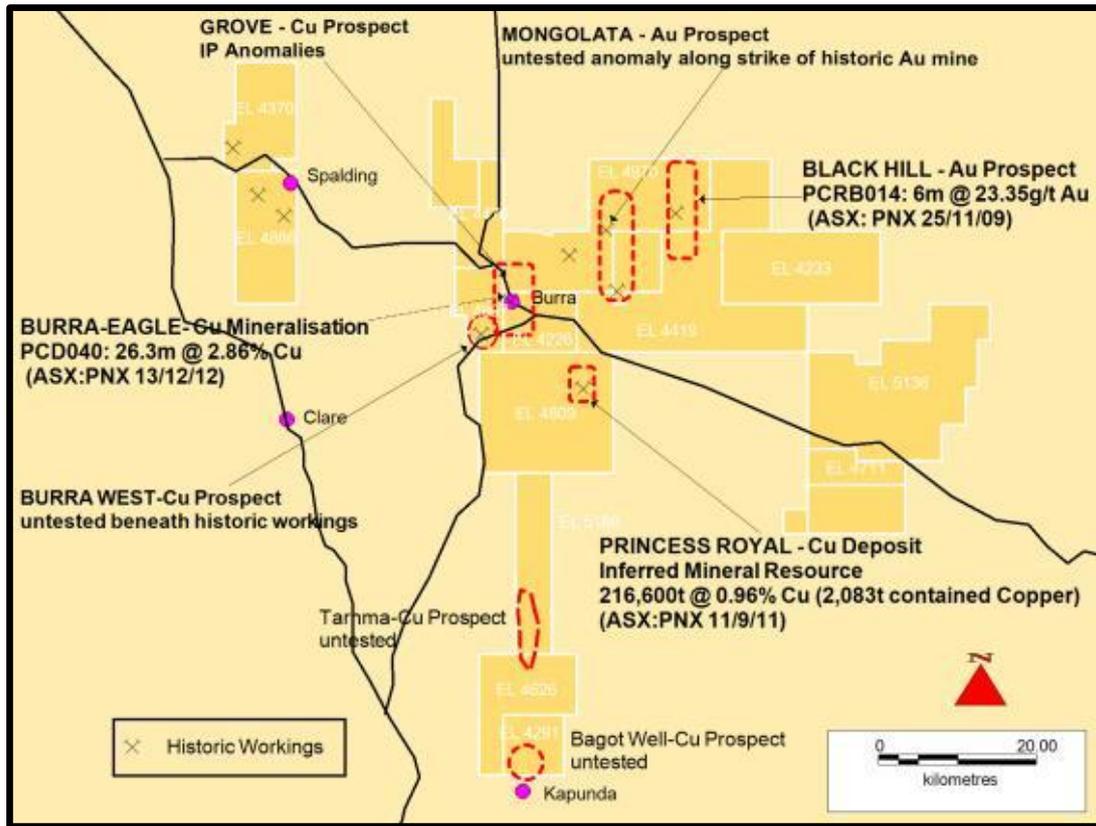


Figure 2: Adelaide Geosyncline tenement and prospect location plan.

The Black Hill prospect is situated approximately 22km to the north-east of Burra in South Australia within the Mongolata Goldfields (**Figure 2**).

A 14 hole, 1,024m reverse circulation drill program was completed at the Black Hill gold prospect.

The program was designed to identify further high grade gold mineralisation in addition to:

- Recognising the silver, lead and copper association to mineralisation to assist with future drill targeting;
- Furthering understanding of structural and lithological controls on mineralisation;
- Determining the strike extent of mineralisation undercover to the north and south; and
- Furthering development of a geological model (of low sulphidation epithermal quartz-sulphide-gold-silver-copper mineralisation), for further exploration in the region.

Anomalous gold (**Table 1**) with associated copper, lead, nickel and zinc were intercepted in epithermal quartz veins over a 3km strike length. The mineralisation appears to be structurally controlled in a quartz-iron rich breccia shear zone on the contact between the Watervale sandstone and the underlying Saddleworth siltstone (brittle/ductile contact), and appears to concentrate in steeply plunging lodes associated with cross cutting structures. The geological information gained at Black Hill will be used to vector future drill targets in the Mongolata goldfields and in particular those along the Mongolata trend.

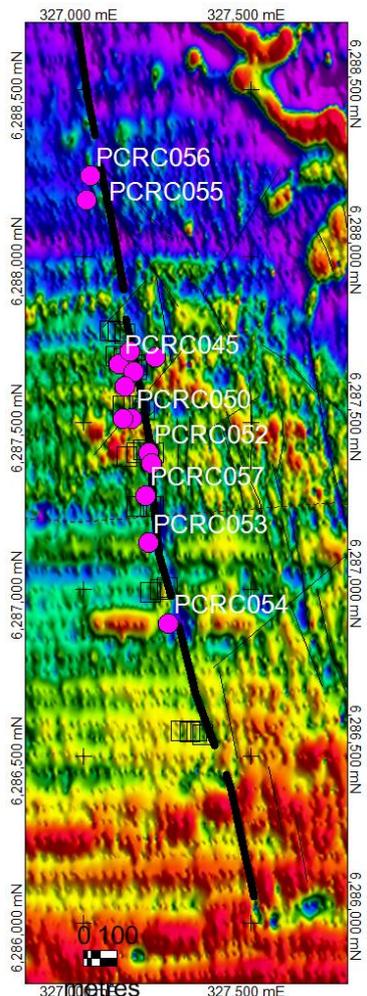


Figure 3: Ground magnetic TMI image with approximate RC Collar positions and ground magnetic features at the Black Hill Prospect

Table 1: Anomalous gold Intercepts greater than 0.05g/t Au at the Black Hill Prospect

HOLE_ID	NORTH_GDA94	EAST_GDA94	EOH Depth_M	RL_M	Azi_GDA	DIP	FROM	TO	INTERVAL	Au g/t
PCRC045	6287677	327107	97	317	102	-60	79	80	1	0.11
PCRC046	6287713	327135	75	309	172	-60	56	60	4	0.05
PCRC047	6287697	327223	73	306	90	-60				NSI
PCRC048	6287659	327150	82	319	4	-70				NSI
PCRC049	6287612	327137	72	307	115	-70	57	58	1	0.05
PCRC050	6287508	327150	80	314	108	-60	64	68	4	0.05
PCRC051	6287508	327120	115	313	105	-60				NSI
PCRC052	6287410	327196	30	319	23	-60	12	13	1	0.28
PCRC053	6287140	327195	78	320	87	-60				NSI
PCRC054	6286899	327254	66	314	85	-60				NSI
PCRC055	6288169	327011	83	312	111	-60				NSI
PCRC056	6288242	327022	76	309	98	-60				NSI
PCRC057	6287283	327185	45	314	100	-60	33	41	8	0.13
				including			36	40	4	0.2
PCRC058	6287379	327204	40	314	20	-60			4	0.19

Notes: Intersections are down hole lengths. QAQC procedures as per industry best practice using certified reference standards, duplicates and blanks. Sample preparation by dry pulverisation and Au analysis by fire assay FA25/AA by Intertek Genalysis. Lower cut off 0.05g/t Au

For personal use only

Mongolata

The Mongolata goldfields are located approximately 15km north-east of the town of Burra and are underexplored and underdeveloped, with opportunities for discoveries along the 12km line of old surface workings and at depth into primary mineralisation. They are wholly within EL4233 and EL4970 and are defined by several historic mines and a number of small workings extending in a north-south strike orientation for approximately 12km (**Figures 2 and 4**). Gold was discovered at Mongolata in 1930, and since that time small tonnages of high grade ore have been mined (Mongolata state battery production - 11,129 oz. from 7,684 tonnes, average: 45g/t Au¹).

Detailed mapping and sampling in the area by the Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) in the 1980s and more recently by Phoenix Copper indicates that the gold mineralisation occurs within auriferous quartz-limonitic breccia lodes and veins associated with the thrust faulted contact between the Cox Sandstone and the underlying Tapley Hill Formation. Further mapping and sampling will focus on this contact in the coming months to advance targets to drill stage.

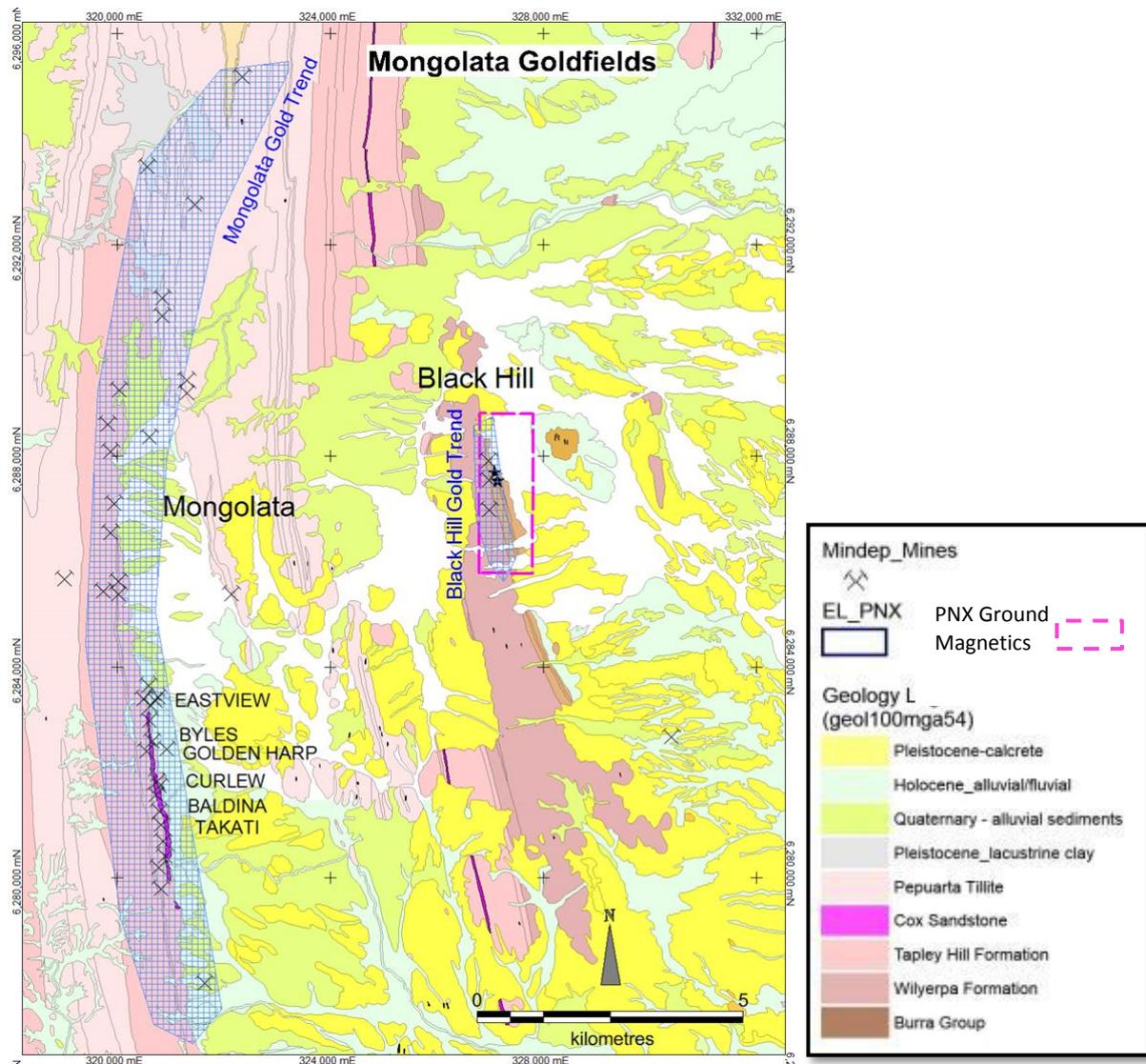


Figure 4: Location map showing Mongolata Goldfields, including the Black Hill Prospect.

¹ The Mongolata Goldfield, I Plimer 1997. Redfire Resources NL

Eagle Prospect – North Burra

Drilling is planned to test the effectiveness of Induced Polarisation (IP) as a method with which to further identify copper sulphides in the area. Phoenix Copper plans to drill test the IP targets highlighted (**Figure 5**). Statutory approvals have all been obtained and drilling is planned to commence once access approvals have been finalised. The company expects to have these approvals in place prior to the end of 2013.

It is evident from the drilling to date and the reprocessed IP data that the high grade copper drill intercepts at the Eagle prospect are all located close to the surface and in the northern portion of a north-west trending IP high approximately 600m in length (**Figure 5**). The targets identified all have the potential for copper sulphide mineralisation similar to that observed at Eagle where the best results from PCD0040² were 26.3m at 2.86% copper from 50.7m, including 15.7m at 4.65% copper from 61.1m, and 2.4m at 11.28% copper from 65.0m.

As previously reported, assay results from the sulphide zone in the hanging wall to the east of mineralisation at the Eagle Prospect (PCD0038 drilled March 2012) returned elevated copper and silver values. This zone was expected to be barren. These results increase the Company's understanding of the prospect and the controls on the mineralisation are significant as they demonstrate that the footprint of the mineralising system at Eagle extends outside the higher grade envelope providing a larger target for exploration purposes.

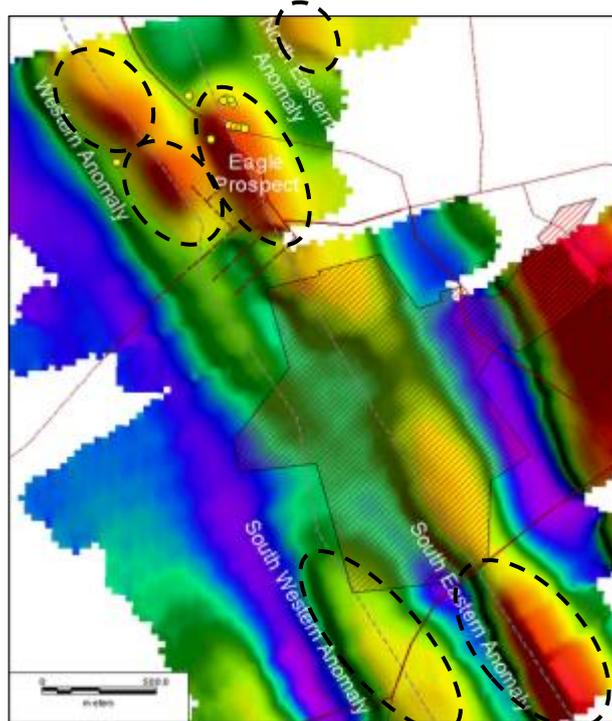


Figure 5: Reprocessed IP data at Eagle, targets (highs) are highlighted by the black dashed lines

Grove Prospect – North of Eagle

The Grove Prospect lies 5km north of Burra (**Figure 2**), and is a copper target which relates to the continuation of the north-south trending Kingston Fault associated with copper mineralisation at the Burra Mine (Monster Mine) and Eagle Prospect.

² Refer PNX ASX announcement 13th December 2012

For personal use only

Historic exploration in the region identified geophysical anomalies that warrant drill testing. Previous attempts to test these targets in 1999 were unsuccessful due to difficult ground conditions and uncontrolled ingress of ground water. Rig selection and water capture would alleviate this issue. The targets remain untested and Phoenix is planning to complete a detailed ground magnetic survey when crops are off to assist with delineating the Kingston Fault, interpreted to be the host to significant mineralisation, and to prioritise drill targets.

1.2 Yorke Peninsula Project

The next stage of exploration will plan to test the depth extents of the surface anomalies at Cross and Balgowan through basement drilling, along with further interpretation and analysis of recent geochemical results. Access for basement drilling at Cross and Balgowan will be limited until cropping has been completed at the beginning of 2014.

Phoenix Copper's 100% owned highly prospective Yorke Peninsula tenure consists of four Exploration Licenses and covers a significant land area of 1,413km² (**Figure 6**). The tenements are adjacent to Rex Minerals' Hillside deposit and within the Olympic Domain which hosts a number of large scale iron-oxide copper gold (IOCG) deposits.

Anomalous copper was observed in drilling completed by Phoenix Copper previously in all areas tested with the best results coming from the Cross Prospect. Here drilling defined elevated copper at the basement interface coincident with gravity and magnetic anomalies that may indicate primary mineralisation at depth and is consistent with the signature of IOCG mineralisation.

Overall the results from the shallow drilling program early in 2013 are very encouraging. Prospective geology and geochemistry within a significant alteration system have been identified together with a new area that has the potential for mineralisation at depth.

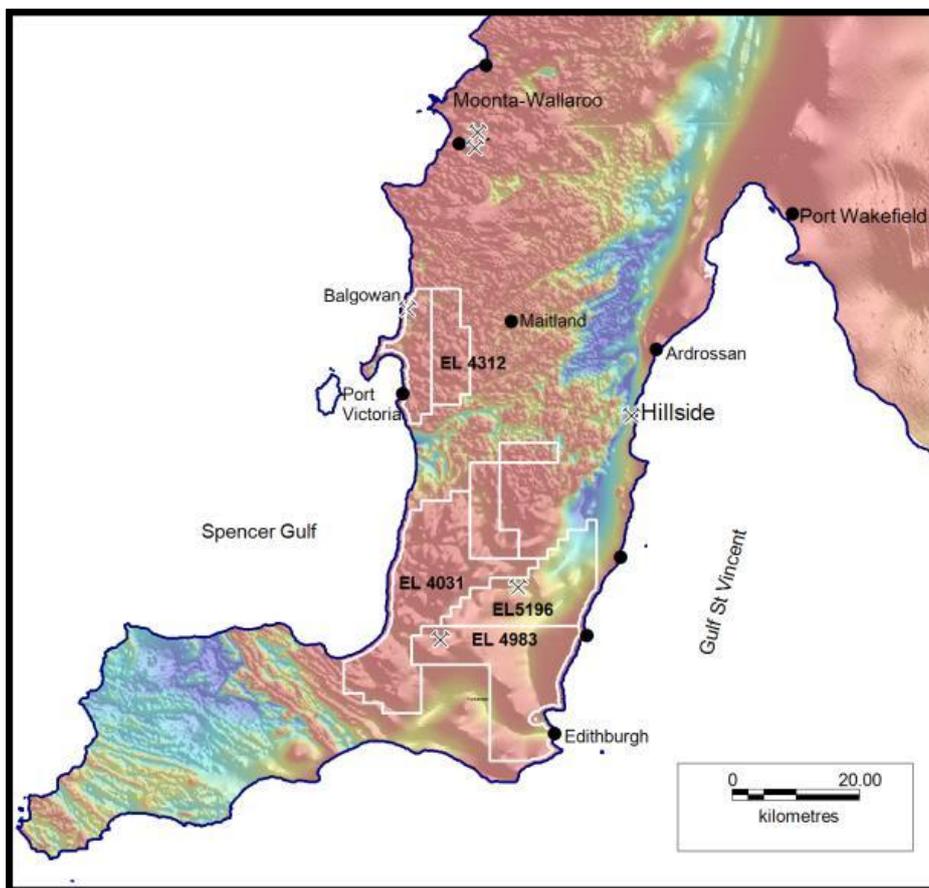


Figure 6: Yorke Peninsula Tenure

For personal use only

1.3 Leigh Creek Project

No exploration activities were undertaken over the two exploration licenses EL5264 and EL5300.

The tenements lie in the northern part of the Adelaide Geosyncline and contain similar geological lithologies and structural settings to the surrounding copper deposits at Mountain of Light, Mt Coffin and Lynda-Lorna Doone, including the Historic Blinman Copper Mine.

2 OPERATIONS – LEIGH CREEK

During the quarter Phoenix Copper signed a non-binding term sheet with Clean TeQ Holdings Limited for the sale of Phoenix's wholly owned subsidiary Leigh Creek Copper Mine Pty Ltd (LCCM) for up to \$1 million.

LCCM holds three mining leases and associated processing facilities including the Mountain of Light operation located near Leigh Creek in South Australia. Two exploration licenses EL5264 and EL5300 held by Phoenix Copper will also be included in the sale.

Completion of the sale, which is subject to legal, commercial and technical due diligence and the successful negotiation and signing of a formal share sale agreement, is scheduled to occur no later than 22nd January 2014. Consideration to be received by Phoenix will include \$750,000 cash at completion, with further payment(s) of up to \$250,000 based on 20% of the net profit after tax of LCCMs operations. Clean TeQ has been granted exclusivity during the due diligence period for which it will pay Phoenix Copper an additional \$10,000 per month.

Phoenix Copper was advised by Fortis Agō corporate finance in relation to the sale of LCCM.

3 FINANCIAL & CORPORATE

Phoenix Copper has been appointed as sub-underwriter in relation to an underwriting by CPS Capital Group of a Rights Issue re-opened by Avalon Minerals Ltd on 28th October 2013.

As sub-underwriter, Phoenix Copper will subscribe for up to 210,000,000 shortfall shares in Avalon, at a subscription price of \$0.01, for a total maximum cost of \$2.1 million. The exact number of shares that Phoenix must subscribe for, if called upon to do so as sub-underwriter, will be determined by CPS at the close of the Rights Issue by Avalon. The number ranges from zero to a maximum of 210,000,000, depending on the take-up of shares by participants in the Rights Issue and the final allocation of any shortfall in accordance with the underwriting agreement and at the discretion of CPS. There is no guarantee that any Avalon shares will be available for subscription by Phoenix Copper under the sub-underwriting agreement.

Phoenix Copper's relevant interest in Avalon shares following the allocation of shares to it as a sub-underwriter will not exceed 19.9%. The Company acquired beneficially 19,892,730 Avalon shares during the quarter at a cost of \$258,605.

Phoenix has arranged to fund the potential \$2.1 million it may be liable for as sub-underwriter by way of a placement of up to 19.8 million fully paid ordinary shares in Phoenix Copper at 4.5 cents each, to a sophisticated investor to raise up to \$891,000, with the balance to be provided by way of a loan facility. Neither the placement nor the loan facility will require shareholder approval and neither will be completed unless required. Phoenix Copper sees this as a good opportunity to secure a significant investment in a company with a quality copper asset.

As at 30th September 2013, Phoenix Copper had cash of \$0.7 million. During the quarter, the Company raised \$0.35 million via the placement of 7,777,778 shares to sophisticated investors at 4.5 cents.

Exploration expenditure was \$0.2 million during the quarter, related primarily to the Black Hill drilling program described earlier in this report.

Capital Structure

At 30th September 2013 the Company had on issue 187,485,527 fully paid ordinary shares, and 1,500,000 performance rights. The performance rights were issued during the quarter to the Company's Chief Executive Officer, with performance conditions relating to the 2013-14 financial year. At 30th September 2013, the Company also had 1.3 million unquoted options on issue, the latest of which expire in July 2015.

Competent Person's Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Ms Nicole Galloway Warland (BSc (Hons)), a Competent Person who is a Member of the Australian Institute of Geoscientists and a full-time employee of Phoenix Copper Limited. Ms Galloway Warland has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms Galloway Warland consents to the inclusion in this report of the matters based on her information in the form and context in which it appears.

James Fox, CEO

Telephone: +61 (0)8 8364 3188

Email: info@phoenixcopper.com.au

Website: www.phoenixcopper.com.au